

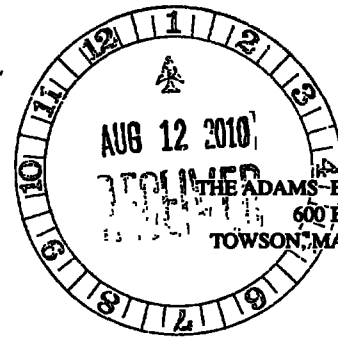
LAW OFFICES OF
LOUIS E. GITOMER

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Office of Proceedings

AUG 12 2010

**Part of
Public Record**

August 12, 2010



THE ADAMS-BUILDING, SUITE 301
600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
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Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE: Finance Docket No. 35403, *Patriot Rail, LLC, Patriot Rail Holdings LLC,
and Patriot Rail Corp.—Continuance-in-Control Exemption— Piedmont &
Northern Railway, Inc.*

Dear Ms. Brown:

227639

Enclosed for filing are the original and 10 copies of a Verified Notice of Exemption under 49 C.F.R. 1180.2(d)(2), a check covering the \$1,300.00 filing fee, 20 additional maps, along with file Notice of Exemption.doc on a CD.

Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger. Thank you for your assistance.

If you have any questions, please call or email me.

Sincerely yours

Louis E. Gitomer
Attorney for: Patriot Rail, LLC, Patriot Rail
Holdings LLC, and Patriot Rail Corp.

Enclosures

FILED

AUG 12 2010

**SURFACE
TRANSPORTATION BOARD**

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AUG 12 2010

TRANSPORTATION BOARD

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35403

PATRIOT RAIL, LLC, PATRIOT RAIL HOLDINGS LLC, AND PATRIOT RAIL CORP.
—CONTINUANCE-IN-CONTROL EXEMPTION—
PIEDMONT & NORTHERN RAILWAY, INC.

VERIFIED NOTICE OF EXEMPTION



Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250

Attorney for PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC
and PATRIOT RAIL CORP.

Dated: August 12, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 35403



PATRIOT RAIL, LLC, PATRIOT RAIL HOLDINGS LLC, AND PATRIOT RAIL CORP.
—CONTINUANCE-IN-CONTROL EXEMPTION—
PIEDMONT & NORTHERN RAILWAY, INC.

VERIFIED NOTICE OF EXEMPTION

Patriot Rail, LLC (“PRL”) and its subsidiaries Patriot Rail Holdings LLC (“PRH”) and Patriot Rail Corp. (“Patriot”), pursuant to 49 C.F.R. §§1180.2(d)(2) and 1180.4(g), file this Verified Notice of Exemption with the Surface Transportation Board (the “Board”) from the prior approval requirements of 49 U.S.C. §§11323-11325. This Verified Notice of Exemption is being filed to permit PRL, PRH, and Patriot to continue-in-control of the Piedmont & Northern Railway, Inc. (“P&N”) once it becomes a rail carrier upon authorization to operate a rail line in North Carolina that is owned by the North Carolina Department of Transportation.

a. **1180.6(a)(1)(i).** A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.

Patriot Rail, LLC and Patriot Rail Holdings LLC, through Patriot Rail Corp., all located at One Boca Place, 2255 Glades Road, Suite 342W, Boca Raton, FL 33431, (561) 443-5300, control the non-carrier P&N.

P&N, One Boca Place, 2255 Glades Road, Suite 342W, Boca Raton, FL 33431, (561) 443-5300, is a non-carrier that has filed a concurrent notice of exemption under 49 C.F.R. §1150.31, *et seq.*, to operate over 13.04 miles of track between Mt. Holly, milepost SFC 11.39, and Gastonia, milepost SFC 23.0, including the Belmont Spur between Mt. Holly, milepost SFC

13.6/SFF 0.13, and Belmont, milepost SFF 1.56, all in Gaston County, NC owned by the North Carolina Department of Transportation (the “Line”). Finance Docket No. 35402, *Piedmont & Northern Railway, Inc.—Operation Exemption—North Carolina Department of Transportation*.

Upon acquiring the right to operate over the Line, P&N will become a rail carrier. Therefore, PRL, PRH, and Patriot have filed this notice of exemption to continue-in-control of P&N once it becomes a rail carrier. PRL is a non-carrier limited liability company that owns not less than 51% of the equity interests in PRH, which owns 100% of the stock of Patriot. Patriot is a non-carrier holding company that owns 100% of the stock of its current six railroad subsidiaries and P&N.

This is a transaction where P&N will not connect with any of subsidiary railroads of PRL, PRH, and Patriot, where the acquisition of P&N is not intended to connect with any railroads in the corporate family of PRL, PRH, and Patriot, and where a Class I carrier is not involved. The proposed transaction meets the requirements of 49 C.F.R. §1180.2(d)(2).

Patriot is a non-carrier holding company that controls the following six class III railroads: (1) the Tennessee Southern Railroad Company (“TSRR”), which was acquired in November 2006; (2) Rarus Railway Company (“Rarus”), which was acquired in April 2007;¹ (3) Utah Central Railway Company (“Utah”), which was acquired in January 3, 2008²; (4) Sacramento Valley Railroad, Inc. (“SAVR”), which was acquired in March 2008³; (5) The Louisiana and

¹ *Patriot Rail, LLC and Patriot Rail Corp.—Control Exemption—Rarus Railway Company*, STB Finance Docket No. 35013 (STB served April 11, 2007).

² *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Control Exemption—Utah Central Railway Company*, STB Finance Docket No. 35102 (STB served November 15, 2007).

³ *Sacramento Valley Railroad, Inc.—Operation Exemption—McClellan Business Park*, STB Finance Docket No. 35117 (STB served February 14, 2008); *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Sacramento Valley Railroad, Inc.*, STB Finance Docket No. 35118 (STB served February 14, 2008).

North West Railroad Company LLC (“L&NW”), which was acquired in June 2008⁴; and (6) the Temple & Central Texas Railway, Inc. (“TC”), which was acquired in August 2009⁵.

The properties of P&N and the subsidiaries of PRL, PRH, and Patriot do not connect. P&N is located in North Carolina. The lines of the TSRR are located in Tennessee and Alabama. The lines of the Rarus are located in Montana. The lines of the Utah are located in Utah. The lines of the SAVR are located in California. The lines of the L&NW are located in Arkansas and Louisiana. The lines of TC are located in the City of Temple, Bell County, TX.

Counsel to whom questions concerning the transaction can be addressed is: Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250, Lou_Gitomer@verizon.net.

b. **1180.6(a)(1)(ii).** The proposed time schedule for consummation of the proposed transaction.

P&N intends to commence operations over the Line on or after September 11, 2010. PRL, PRH, and Patriot own the stock of P&N and will continue-in-control of P&N upon P&N commencing operations over the Line.

c. **1180.6(a)(1)(iii).** The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.

The management of PRL, PRH, and Patriot has successfully managed short line railroads for more than a decade. PRL, PRH, and Patriot intend to use their management’s experience and expertise in operating short line railroads and its purchasing power to generate additional

⁴ *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Control Exemption—The Louisiana and North West Railroad Company LLC*, STB Finance Docket No. 35138 (STB served May 16, 2008).

⁵ *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Control Exemption—Temple & Central Texas Railway, Inc.*, STB Finance Docket No. 35256 (STB served July 15, 2009).

business on the Line, to affect operating efficiencies for P&N, to improve service to shippers on the Line, and to create a financially viable railroad in P&N.

d. **1180.6(a)(5).** A list of the State(s) in which any part of the property of each applicant carrier is situated.

TSRR operates in the States of Tennessee and Alabama. Rarus operates in the State of Montana. Utah operates in the State of Utah. SAVR operates in the State of California. L&NW operates in the States of Arkansas and Louisiana. TC operates in the State of Texas. P&N will operate in the State of North Carolina.

e. **1180.6(a)(6). Map (Exhibit B).** Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.

See Exhibit B at the end of the pleading with colored maps.

f. **1180.6(a)(7)(ii). Agreement (Exhibit A).** Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction.

P&N, as a non-carrier, is controlled by PRL, PRH, and Patriot. There is no agreement between P&N and PRL, PRH, and Patriot.

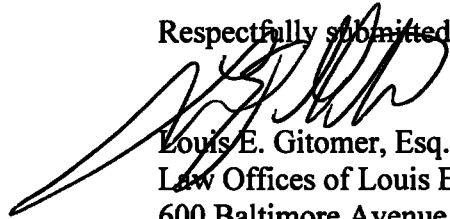
g. **Labor Protection.**

TSRR, Rarus, Utah, SAVR, L&NW, and TC are all class III railroads. P&N will become a class III railroad. As such, under 49 U.S.C. §11326(c), labor protection does not apply to this transaction.

h. Environmental and Historical documentation.

This transaction qualifies for classification under 49 C.F.R. §1105.6(c)(2) and thus neither an Environmental Report nor a Historic Report is required to be filed.

Respectfully submitted,



Louis E. Gitomer, Esq.
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Lou_Gitomer@verizon.net

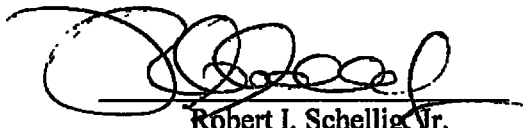
Attorney for PATRIOT RAIL, LLC,
PATRIOT RAIL HOLDINGS LLC,
and PATRIOT RAIL CORP.

Dated: August 12, 2010

VERIFICATION

State of Florida)
) ss
County of Palm Beach)

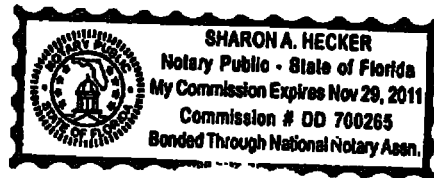
Robert I. Schellig, Jr., being duly sworn, deposes and says that he is Vice President of Law of Patriot Rail Corp., a Delaware corporation, and that he has read the foregoing, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.


Robert I. Schellig Jr.

Subscribed and sworn to before me this 11th day of August 2010.

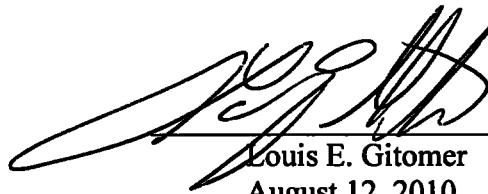

Notary Public

My Commission expires: Nov. 29, 2011



CERTIFICATE OF SERVICE

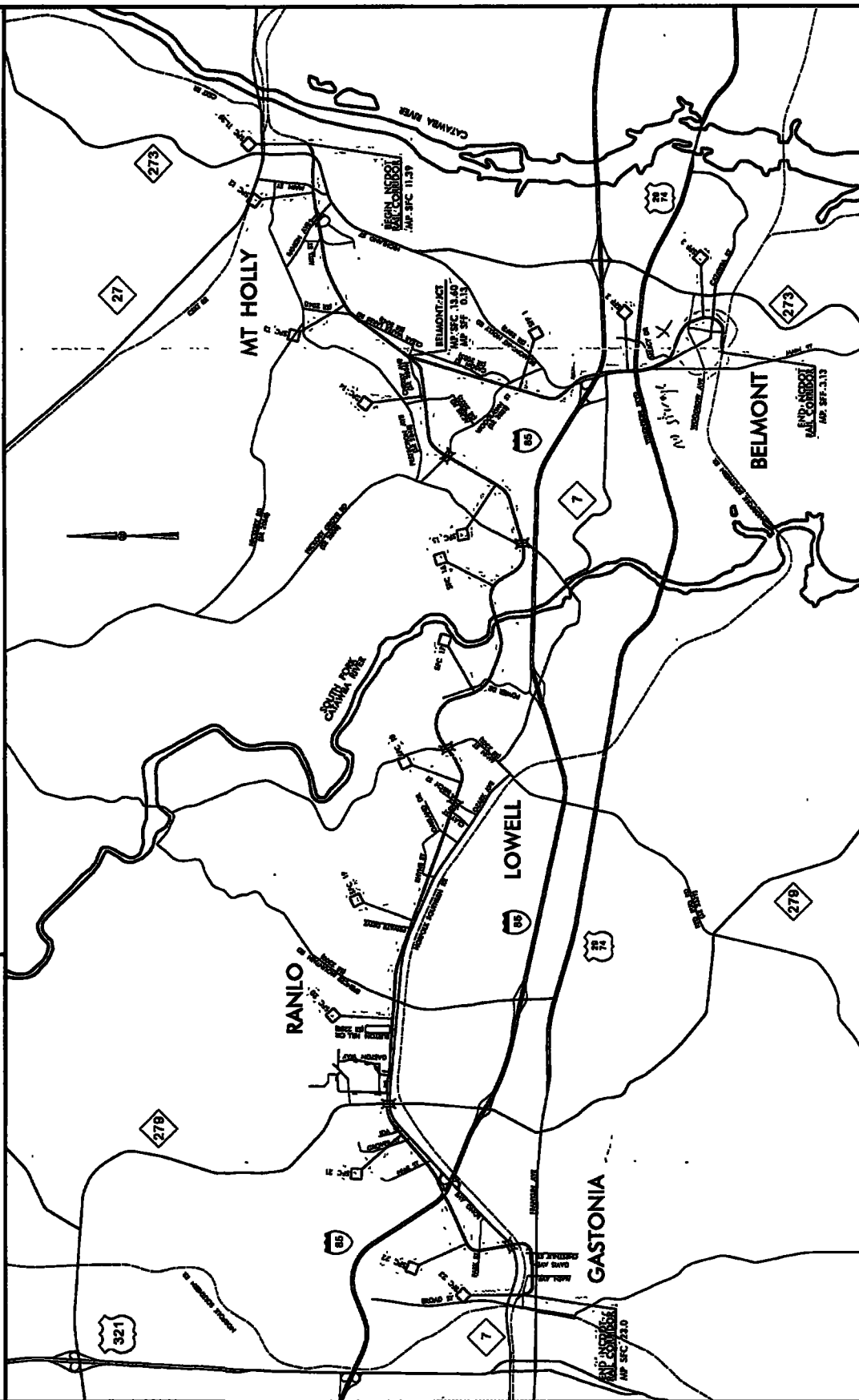
I hereby certify that I have caused the Verified Notice of Exemption in Finance Docket 35403, *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.–Continuance-in-Control Exemption–Piedmont & Northern Railway, Inc.*, to be served by first class mail, postage pre-paid on the Secretary of the United States Department of Transportation, the Attorney General of the United States, the Federal Trade Commission and on the Governor, Public Service Commission, and Department of Transportation of the State of North Carolina.

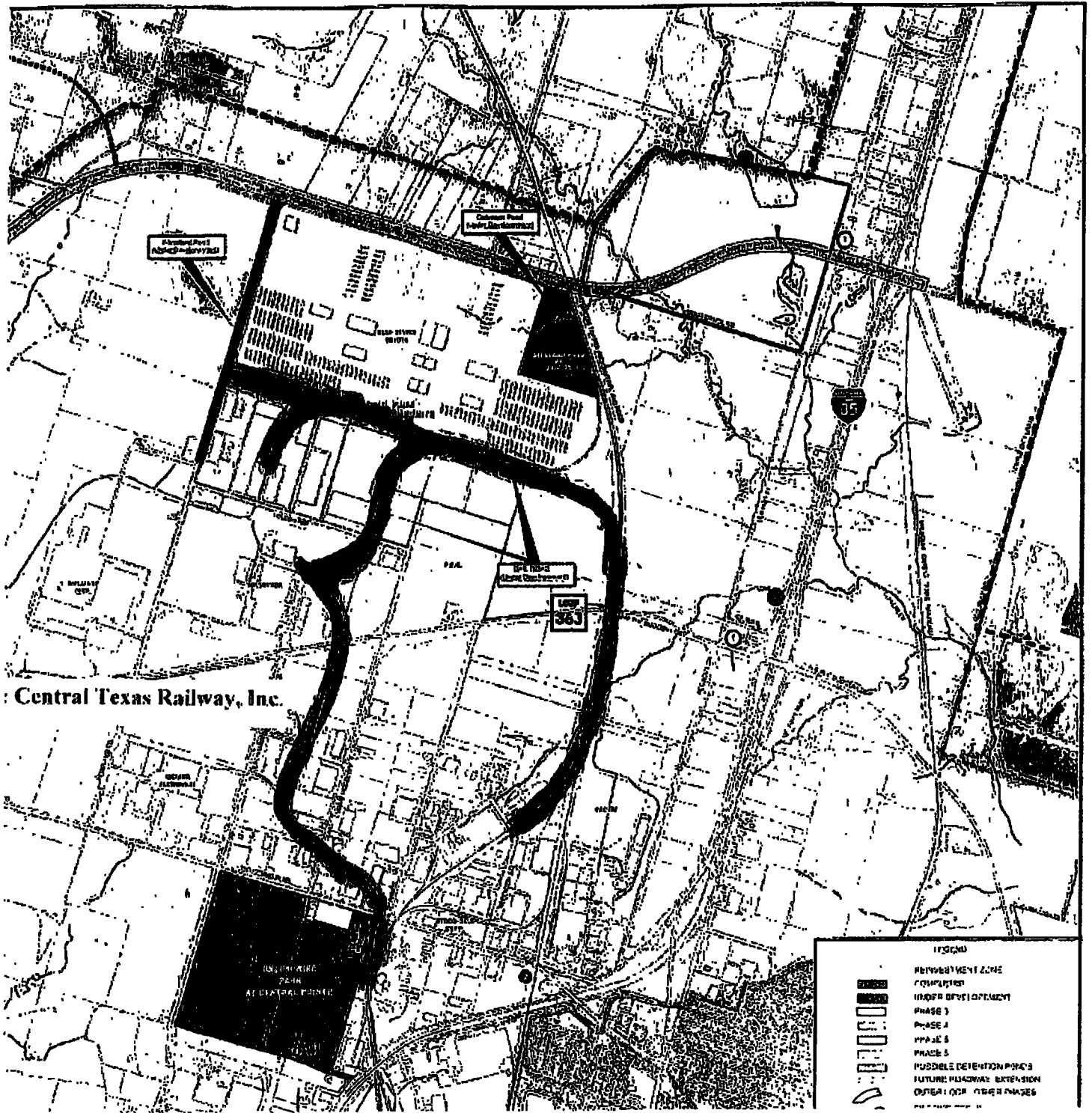


Louis E. Gitomer
August 12, 2010

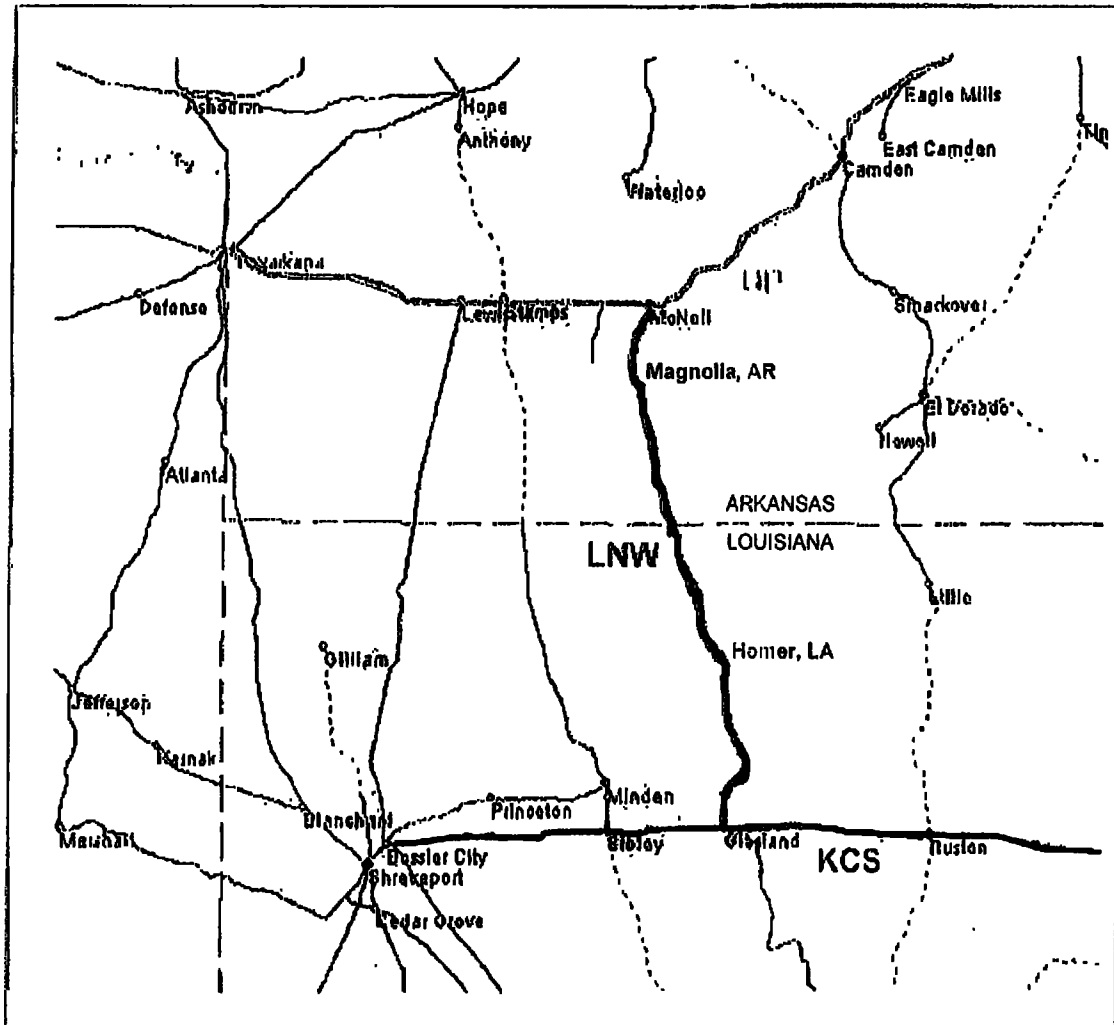
EXHIBIT A—AGREEMENT
NONE

EXHIBIT B—MAPS





Louisiana and North West Railroad (LNW) Map



The Louisiana and North West Railroad (LNW) operates 63 miles of owned and leased rail line from Gibsland, Louisiana, to McNeil, Arkansas. The railroad leases 6.8 miles (from Magnolia to McNeil, Arkansas) from the Union Pacific Railroad (UP). LNW interchanges traffic with the UP at McNeil and with Kansas City Southern (KCS) at Gibsland, LA.

